

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 INT-05 GSA-01 SAM-01 SP-02 H-02 PA-01

PRS-01 USIA-06 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04

SIL-01 OMB-01 L-02 FEAE-00 /062 W
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R 241345Z APR 75

FM AMCONSUL LOURENCO MARQUES

TO SECSTATE WASHDC 3442

INFO AMCONSUL JOHANNESBURG

AMEMBASSY PRETORIA

LIMITED OFFICIAL USE LORENCO MARQUES 431

E.O. 11652: N/A

TAGS: ELTN, ETRD, SF, MZ

SUBJECT: U.S. CHROME ORE SUPPLY

REF: LOURENCO MARQUES 402

1. IN DISCUSSION WITH CONGEN OFFICER AND AF/S ECON OFFICER, PINTO TEIXEIRA, DIRECTOR OF MOZAMBIQUE'S PORTS AND RAILWAYS (CFM), REVIEWED GENERAL PORT OPERATIONS AND CHROME ORE SHIPMENT BOTTLENECKS. DIRECTOR SAID 70-30 AGREEMENT (70 PERCENT FOR DIRECT LOADING; 30 PERCENT FOR STOCKPILE) HAS NOT BROKEN DOWN, BUT SOUTH AFRICAN CHROME EXPORTERS WERE "CHEATING" ON AGREEMENT BY NOT MAINTAINING 30 PERCENT SHARE FOR STOCKPILES.

2. DIRECTOR REMARKED HE PLANNED TO HAVE INDIVIDUAL EXPORTERS BUILD UP STOCKPILES OF VARIOUS GRADES OF CHROME ORE IN PORT AREA TO EXPEDITE LOADING OF VESSELS. STOCKPILES WOULD THUS CONTINUE TO SUPPLEMENT DIRECT SHIPMENTS OF ORE EARMARKED FOR SPECIFIC VESSELS. HE BELIEVES SOUTH AFRICAN EXPORTERS WILL ACCEPT THIS APPROACH.

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EM DIRECTOR SAID CFM IS INSTALLING MECHANICAL CHROME ORE
LOADING FACILITIES WHICH SHOULD BE IN OPERATION IN 6 OR 7 MONTHS

AND BOOST PORT'S ANNUAL CAPACITY FROM CURRENT 2 MILLION
TONS UP TO 2.5 MILLION TONS.

4. CHROME ORE LOADING OPERATIONS APPARENTLY ARE IMPROVING.
DIRECTOR NOTED 200,000 TONS OF ORE LOADED IN MARCH 1975 WAS
ABOVE MARCH 1974 FIGURE. HOWEVER, THERE ARE STILL 20 SHIPS
WAITING TO BE LOADED. DIAMOND SHAMROCK'S VESSEL "CASABURINA",
CHROME SHIP WHICH HAS BEEN IN HARBOR LONGEST, IS EXPECTED
TO BE LOADED IN NEXT SIX DAYS.

5. DIRECTOR SAID PORT ADMINISTRATION IS HOPING TO BUY MOTOROLA
RADIO COMMUNICATION EQUIPMENT TO IMPROVE CHROME ORE SHUNTING
OPERATIONS IN PORT AND HAS REQUESTED EXIM FINANCING.

6. SOUTH AFRICAN RAILWAYS (SAR) CONTINUES TO PROVIDE ASSISTANCE
TO CFM. IN ADDITION TO 6 LOCOMOTIVES ALREADY IN OPERATION IN
MOZAMBIQUE, SAR HAS PROVIDED SOME TECHNICIANS AND "TOKEN-TYPE"
EQUIPMENT TO IMPROVE POORLY FUNCTIONING RAILWAY COMMUNICATION
SYSTEM.

7. DIRECTOR SIAD EXPORT CHARGES ON CHROME ORE WILL BE RAISED
SOON BY 15-30 PERCENT. NEW CHARGES WILL RANGE BETWEEN 85
ESCUDOS PER TON FOR SMALL SHIPMENTS AND 65 ESCUDOS PER TON
FOR LARGER SHIPMENTS. DIRECTOR HOPES INCREASED CHARGES WILL
SPUR CHROME BUYERS CONSOLIDATE PURCHASES RATHER THAN BUYING
IN SMALL LOTS.

WALKER

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